

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – JUNE 20, 2002

PRESENT: Chairman John Byrne and Commissioners Anthony Maiola and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Howard Roundy, Director of Information Technology; Peter Engel, Director of Store Operations; Richard Gerrish, Spirits Marketing Specialist; Nicole Horton, Wine Marketing Specialist; George Tsiopras, Chief Accountant

EXCUSED: Craig Bulkley, Bureau Chief of Administrative Services

I. FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

The current SA1000 report for the week ending June 16, 2002 indicates retail sales were up around 8%, on-premise sales were up 7.14%, off-premise sales were up 7.7%, and total aggregate sales were up almost 8.4%. The traffic count was up over last week.

The W-1 Total Weekly Sales report confirms total sales for the week increased by 8.4% or \$529,339, as they also did for the year by 7% or \$20,538,218. Wine sales for the week were up almost 19% or \$480,139, and were up 10.14% or \$13,310,916 for the year. For the week, sales of spirits increased .59% or \$22,683, and increased 5% or \$8,255,153 for the year.

B. Budget Reports:

There was nothing of significance to report regarding the Outstanding Depletions and Post-Offs report as of June 18, 2002.

The W-6 Expense Budget Activity Variance Report shows the year to be at 96.71% complete, with total agency expenditures presently sitting at 93.4%.

George reminded those present that the 7-D forms are due in to Administrative Services next Friday.

Further pricing information regarding a gift card program is forthcoming from Citizens Bank.

2. IT Reports

The two main servers will be up tomorrow.

There was brief discussion regarding implementation of the new electronic filing system, which is required to be implemented by January 1, 2003. There will be a meeting with wine brokers on Wednesday, June 26 at 9:00 a.m. to explain the new system and receive their input.

II. MARKETING & SALES REPORT

1. Store Operations

Store sales for this past week versus the same week last year increased 8.7% or \$436,824.82. Peter mentioned good performances by Stores #23 Conway, #25 Stratham, #48 Hinsdale and #27 Nashua.

The parking lot paving project at Store #38 Portsmouth is now two-thirds completed.

Next Tuesday, June 25 the Lottery Commission will be hosting the Dream Kitchen Giveaway.

The location for the Warner store will need to go before the Planning and Zoning Board. The septic system is being tested at the new location for the Hillsboro store.

2. Warehouse Report

Everything is in good shape presently in the Concord Warehouse.

3. Purchasing Report

There was nothing of significance to report regarding the latest out-of-stock report.

4. Merchandising Report

A. SPIRITS:

1) Test Market Products:

a. Test Market Recommendation (Stillman's Dram):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Future Brands LLC for a new test marketing listing for Stillman's Dram from Dalmore, 750ML size (assigned Code #2649), to be carried in selected Cluster 1 and 2 stores only, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by

John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. Test Market Request (Bartender's Original, Dulce de Leche, and Bananas Over You):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission deny requests from United Beverages, Inc./Charles Jacquin et Cie, Inc. for new test marketing listings for Bartender's Original Bananas Over You, Bartender's Dulce de Leche and Bartender's Original Margarita, 1.75L sizes, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- c. Test Market Recommendation (Code #2614, Dewar's):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission reconsider its decision of May 30, 2002 to delist Code #2614, Dewar's 12 Year Old Scotch, 1.75L size and grant a specialty listing to this item, to have limited distribution in 18 stores only, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) August Special Offers (spirits):

- a. 2 items (revised) – Charles Zoulias:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve revised special offers from Perfecta Wine Company, based upon depletions of two (2) spirit items, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. 55 items – Horizon Beverage Company:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Horizon Beverage Company, based upon depletions of fifty-five (55) spirit items, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- c. 92 items – United Beverages, Inc.:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from United Beverages, Inc., based upon depletions of ninety-two (92) spirit items, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Tabled Items:

- a. 50ML Purchase (tabled from 6/13/02, Item A-2-e):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that this item be removed from the table, and that the Commission reject an offer from Horizon Beverage Company for the State to purchase 100 cases of Amarula Crème Liqueur, 50ML size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. Test Market Recommendation – Cabana Boy Rum (tabled from 6/13/02, Item A-2-b):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that this item be removed from the table, and that the Commission approve new test market listings for the following 750ML size items, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales: Cabana Boy Coconut Rum (assigned Code #4453), Cabana Boy Banana (assigned Code #4454), Cabana Boy Kiwi Strawberry (assigned Code #4455) and Cabana Boy Strawberry Banana (assigned Code #4456). The motion was unanimously adopted.

B. WINES:

- 1) Introductory Offer – Rosemount 1.5 Liter:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve an introductory offer from Martignetti Companies of N.H., based upon the purchase of four (4) Rosemount wine products, to be featured on sale during August and September 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Special Offers for August 2002 (wines):

a. 1 item – Charles Zoulias:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve a special offer from Perfecta Wine Company, based upon depletions of one (1) wine item, to be featured on sale during August 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 12 items – Pine State Trading Company:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Pine State Trading Company, based upon depletions of twelve (12) wine items, to be featured on sale during August 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. 35 items – Horizon Beverage Company:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Horizon Beverage Company, based upon depletions of thirty-five (35) wine items, to be featured on sale during August 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

d. 5 items – Executive Wine & Spirits:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Executive Wine & Spirits, based upon depletions of five (5) wine items, to be featured on sale during August 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Recommended Wine Specialty Products (2 items):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve two (2) wine codes to be designated as wine specialty products, to be carried in wine specialty stores only, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

4) Recommended Allocated and Restricted Wines for Distribution to Selected Stores:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve six (6) allocated and restricted wines to be distributed to selected stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

5) Primary Source Submissions (1 item – primary source; 11 items – exclusive agent; 6 items – imported):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of one (1) wine item which is from primary source, eleven (11) wine items which are not from primary source, but are offered by the exclusive marketing agent, and six (6) wine items which are not from primary source, but are imported, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORTS

IV. CHAIRMAN'S REPORT & LATE ITEMS

1. Bailment Requests:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve all reviewed requests for bailment releases/transfers dated from June 14, 2002 through June 20, 2002. The motion was unanimously adopted.

2. Coupon Approvals:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve all reviewed coupon (pad, necker and consumer

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offer) requests effective for the month of July 2002. The motion was unanimously adopted.

3. Late Items: None.

John W. Byrne, Chairman

Anthony C. Maiola, Commissioner

Patricia T. Russell, Commissioner

/D. Hartford